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Chesapeake Petroleum marks 50 years in business

Longtime WANADA Kindred -Line member Chesapeake Petroleum is celebrating its 50th anniversary this year, a significant plateau, since only about 18% of companies in the U.S. survive 50 years.

Chesapeake Petroleum was started in 1961 by Rex Davis as a Quaker State oil distributor. Rex focused his efforts on supplying automobile dealers, providing them with oil tanks, spigots, and command systems on a loan basis. Soon Chesapeake Petroleum had about 70% of the car and truck dealer business in the area.



In the 1970s Davis saw that aftermarket products were a growing part of new car dealership retailing, so he brought in the Auto Armor line of polish and protection products and hired Paul Maymon to run the business. During this time, too, Rex became a leader in the Washington Area dealer organization, joining WANADA's Board, holding the Kindred-Line seat, from which he ultimately became WANADA treasurer, a position he held into the 1980s.

Chesapeake continued to grow through the 80s, though Rex would not live to see the full fruits of his efforts, as he passed away unexpectedly in 1988. Victoria McCullough, his daughter, would succeed him as chairman and Tony Santy would become president of the company. Among Santy's first decisions was to purchase the local Mobil distributor, P&W lubricants, doubling the size of Chesapeake Petroleum.

In more recent times Tim Sullivan took over as president of Chesapeake and Tony Santy became Chief Executive Officer in 2007. Together, Tim and Tony decided the company needed to widen its market, so Skyline Oil located in Winchester, VA., was acquired. With Skyline came Shell, Pennzoil and Quaker State products broadening Chesapeake's already impressive menu of nationally known brands of lubricants. An unexpected benefit of that purchase was that the company was able to become a Rotary Lift and Champion Compressor distributor as well.

Chesapeake Petroleum is now one of the largest independent suppliers of lubricants in the Mid-Atlantic States. It continues the theme that Rex Davis originated 50 years ago: "Service and Quality are our two priorities for customers."

Personal income up in Washington Area

Washington, DC and San Jose, CA., posted new highs for personal incomes in 2010, the only two metropolitan areas that managed to overcome declines in personal incomes in 2008 and 2009.

Nationwide, personal incomes rose 2.9 percent in 2010, following a 1.9 percent decline in 2009, according to the U.S. Department of Commerce. Personal incomes rose in all but four of the 366 metropolitan areas the Commerce Department's Bureau of Labor Statistics tracks.

In Washington, personal incomes in 2010 rose 3.7 percent last year, to a total of \$323.5 billion, ranking Washington fourth in the nation. The New York City area ranked No. 1 at \$1.03 trillion, followed by Los Angeles at \$565.4 billion, and Chicago at \$435.4 billion.

Three Nevada metros, Carson City, Las Vegas and Reno, along with Grand Junction, Colo., were the only areas to see personal incomes decline last year.

Personal income growth in Washington was fueled by gains in three of the area's largest employer sectors: the federal government up (6 percent), education up (6.2 percent) and professional, scientific and technical services up (7.2 percent).

Edmunds.com launches online couponing for the auto industry

Edmunds.com, the online auto research and shopping portal, is looking at Groupon and LivingSocial's daily deal model to see if it works with big-ticket items like cars. Called "Edmunds Exclusives," it is beta testing the product in the Miami/Ft. Lauderdale, FL, corridor with hopes to offer geotargeted deals for new and used cars to consumers across the country later this summer.

"Edmunds Exclusives" will offer cash-back, financing and leasing deals to people from dealerships in their market. It may also expand to include business in repairs and parts, maintenance and body shops, aftermarket audio dealers and auto broker services.

Michelle Denogean, vice president of business operations at Edmunds.com, says the program gives people access to local deals directly at Edmunds.com, where people go when they are at

the bottom of the purchase funnel and ready to buy. She says it gives automakers “a topical sales ointment to treat inventory problem flare-ups that might not be responding to a more systemic treatment of national or regional incentives.” A Groupon-type program for dealers and automakers, she adds, was bound to happen.

"It helps automakers and dealers who have excess inventory or oversupply of specific models, or have a need to get rid of past model-year vehicles through additional discounts," she says. "So it is intended to be very targeted to areas that need that focused conversation around certain vehicles," says Denogean.

"It's all about where do you need to target sales and can we do it now, in a time period to hit those targets," Donogean says. The offers will not be real-time, "but a lot of what happens in the auto industry is in a given month, where automakers and dealers are looking at sales targets."

Interactive bar codes are the next thing in automotive marketing

Automakers are increasingly placing interactive bar codes in all marketing materials so cellphone-carrying customers can quickly access sales promotions, vehicle quotes, videos, safety tips and similar information simply by taking a photo of the code.

Toyota is the latest to jump on the bandwagon with what it calls the ToyoTag, a logo inside a ring. "The ToyoTag allows customers to engage with us wherever and whenever they want information," said Michael K. Nelson, interactive communications marketing manager for Toyota. The new tag, he said, will provide one-on-one interactions with customers at all stages of interest in its products.

SpyderLynk, a Denver-based mobile marketing technology provider, created the technology in 2008. Called SnapTag, it uses 2-D mobile bar code technology to “read and display” all the information linked to the code, including video, interactive ads and story boards.

Coke, Bud Light and the Marine Corp have also experimented with SnapTags. Studies suggest that nearly half the U.S. public will own smartphones capable of reading the special bar codes by the end of 2011, suggesting a whole new era of automotive advertising is about to unfold.

QR codes on window stickers open door on new sales process

The Environmental Protection Agency (EPA) and the Department of Transportation (DOT) recently unveiled new window stickers that are going to be present on all vehicles starting in 2013. They feature a Quick Response (QR) code, which when read by the smartphone of a prospective car buyer; minimally display fuel economy and safety ratings as well as all the vehicle specifications on the phone screen.

Automakers aren't stopping there, however, and are already loading up the information available on these systems including such items as:



- Video based product overviews
- Image gallery
- Incentive offers
- Dealer inventory
- Request a quote capability
- Join mailing list request
- Dealer location support

That information availability is expected to have a significant impact on how vehicles will be sold in the future. The traditional “walkaround,” demonstration by sales people isn’t going to be around for much longer, says one foreign automaker, which is investing heavily in the QR code possibilities.

Stealing cars is getting easier

Today’s cars, loaded with digital engine technology and multi-function infotainment systems, are easier than ever to steal, according to security pros.

To prove the point, two researchers at the Black Hat Conference, an annual gathering of hackers and security pros in Las Vegas, last week used nothing but an Android smartphone and some creative programming to not only unlock a Subaru Outback but start up its engine.

Don Bailey, a senior security consultant with iSEC Partners and his partner used a technique called “war texting” to intercept the password used by the car they hijacked. That’s not supposed to be possible, according to auto industry officials who have tried to ease consumer concerns that the increasing reliance on remote key fobs and other digital gizmos might pose a threat to safety and security.

OnStar and various stolen vehicle recovery systems and electronic immobilizers, have made it more and more difficult to steal the newest cars in recent years. Indeed, theft rates have steadily gone down.

The demonstration at the Black Hat Conference suggest, however, this may only be a temporary situation as tomorrow’s car thieves trade their key blanks and crowbars for keyboards and smartphones to gain access to the newest models that haven’t been properly programmed to prevent hackers from unlocking their doors or starting their engines.

Buried by traffic, Europe looks into charging drivers by the mile



In the Netherlands, the government is running a pilot program to charge drivers a fee for the miles they drive. Volunteers are letting researchers place meters in their cars that tabulate a charge for each car trip by using a mileage-based formula that also takes account of a car’s fuel efficiency, the time of day and the route. (Driving on busier thoroughfares costs more than driving on less-traveled roads.) At the end of each month, the vehicle’s owner receives a bill detailing times and costs of usage, not unlike a cellphone bill, although participants in the trial do not have to pay the charges.

The test by the Dutch is one of several being done by governments in car-clogged regions of Europe, Asia and even the United States. Whether the systems are implemented remains to be seen. In the Netherlands, where residents have the highest average commuting time in Europe and a reputation for environmental innovation, the government had planned to institute a nationwide system next year. But the plan was shelved when a new government came to power in 2010.

“The winning party said, ‘If you elect us, there won’t be new taxes,’ and killed the plan,” said Ab Oosting, a city official in Eindhoven, where the current test is being conducted.

Supporters of the meters contend that the charges are fairer than current taxes like automobile purchase and registration fees, because they are based on actual use rather than ownership. If imposed, they could supplant gas and vehicle taxes as well as tolls.

Distance charging also provides a means of replacing declining revenues from gasoline taxes as more people drive highly efficient, hybrid or electric cars, helping governments that have traditionally depended on gas taxes for road upkeep.

In the United States, states including Oregon, Texas and Minnesota, have explored mileage charging systems, but they haven’t gotten very far.

Two out of three couldn’t name any of the U.S. Supreme Court justices

Holy high school civics class! Most folks in a survey didn’t know any of our U.S. Supreme Court justices! The Supreme Court is the third branch of our government under the Constitution, for crying out loud – up there with the President and Congress! Only *one percent* surveyed could name all nine justices. And here they are:

John Roberts, chief justice, 2005; Samuel Alito, 2006; Elena Kagan, 2010; Stephen Breyer, 1994; Anthony Kennedy, 1988; Ruth Bader Ginsburg, 1993; Antonin Scalia, 1986; Sonia Sotomayor, 2010; and Clarence Thomas, 1991.

Memorize the justices so you can boast at the next cocktail party that you’re in the top one percent of informed citizens.

Thought for the week...

Our Earth is degenerate in these later days; there are signs that the world is speedily coming to an end; bribery and corruption are common; children no longer obey their parents; every man wants to write a book, and the end of the world is evidently approaching.

— an inscription from an Assyrian clay tablet, *circa* 2800 B.C. E.